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TODAY

Diaper Service Delivers After Nine Months

MARCH 1992

Since launching their business just over one year ago, John McKernan and Sandra McKenzie have managed to wrap up an impressive share of the Edmonton market.

The owners of Bottoms Up Diaper Service are cleaning up commercially by effectively meeting the needs of the local infant population.

"We're still ahead of where we hoped we'd be at this time. After a year, we thought we'd have about 350 customers but we've already reached the 500 mark," says McKernan, 27.

He and 24-year-old McKenzie started the business after recognizing the benefits of supplying a basic consumer service growing in demand as a result of greater environmental awareness.

After devoting nine months to developing a thorough business plan, the couple sought out financing but discovered the banks were not interested in their project.

"They looked at us and thought we were too young, too whatever. They didn't want to take the risk," explains McKernan, noting the response of AOC's credit officer proved to be just the opposite.

"Right from the beginning, it didn't appear that he had a doubt about us. Had he decided we weren't worth the gamble, it's pretty doubtful whether we'd be in business."

The enterprising couple paid off their AOC loan in nine months, more than four years ahead of schedule. While Bottoms Up has made significant inroads in a short period of time, McKernan says the venture has had its share of growing pains.

"We didn't realize there's actually diaper connoisseurs out there. People are very particular about how they fit."

Once the operation was underway, the owners discovered velcro was not the ideal fastener for their products and had to convert all of their diapers to a plastic snap system.

"That was a major job. We had thousands and thousands of diapers to change. It really took away from the task at hand."

Now that some of the wrinkles have been ironed out of the business, McKenzie and McKernan are moving full steam ahead. They are already looking at expanding their customer base and relocating to larger, more customer-friendly premises.

"There's room for growth. We've marketed ourselves a little differently and got things in place to easily double in size," says McKernan. "Who knows, if things go really well, we may be back at AOC and knocking on their door, one more time."

"After a year, we thought we'd have about 350 customers but we've already reached the 500 mark"

Sandra McKenzie and John
McKernan of Bottoms Up
Diaper Service

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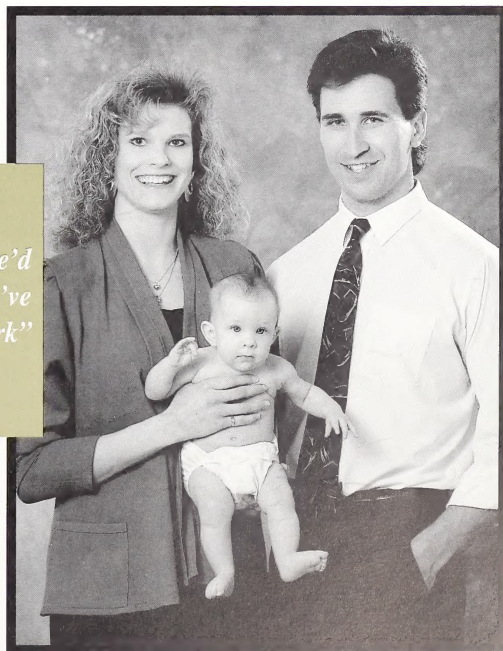
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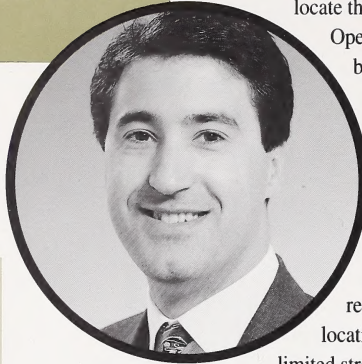
Finding a Home for Your Venture

Today's lower interest rates make purchasing commercial property an attractive alternative for many entrepreneurs.

Samuel Durante

Samuel F. Durante
Macleod Dixon
Barristers and Solicitors

Location! Location! Location! One of the very first decisions entrepreneurs must make is where to locate their business.



Operating a business out of a home is attractive cost-wise, but there are some drawbacks. Keep in mind, that residential locations have limited street visibility

which may deter or fail to attract potential clients. Space limitations and family interruptions could also hamper development and expansion opportunities.

As well, municipal zoning regulations can also influence the viability of your business. It would be regrettable to have a flourishing venture suffer as a result of breached by-laws.

Today's lower interest rates make purchasing commercial property an attractive alternative for many entrepreneurs. An over-supply of this type of property has increased competition and reduced prices.

If you are considering purchasing your own premises, basic knowledge of the real estate market is essential and a good financial advisor, real estate agent and lawyer can be valuable allies.

Acquiring your own digs gives you control, as opposed to leasing where spatial use is generally governed by the landlord. It also relieves headaches stemming from expired lease terms and non-renewals. A further benefit is that any increased equity will belong to your business,

rather than someone else's.

Although an appealing prospect, the substantial financial output required to purchase property is often

a burden. Most new business owners lack sufficient funds to buy property and cover business operating costs at the same time.

A compromise between running a business out of your home and purchasing premises, is leasing space. This generally allows you to locate in the area best suited to your business and its potential client base.

Oversupply of commercial space in recent months has placed tenants in the drivers' seat, where they can easily negotiate with landlords for cost-saving incentives in exchange for long-term leases. Rents are generally comparable to, if not less, than the financing charges incurred when acquiring commercial property.

Renewal periods, and rights of first refusal on adjoining space, can eliminate or reduce any size and commitment concerns you may have. Here, a basic knowledge of the rental market and the services of a good leasing agent, and lawyer can be valuable.

Before you take the plunge and pick your location, it's also a good idea to seek advice from other sources, such as fellow entrepreneurs and trade magazines. Once you have all the facts you need, you can make an informed decision as to which alternative best suits your business.

Lights, Cameras, Action!

AOC President Roy Parker was recently on the scene in Grande Prairie for an interview with Terry Lynne Meyer of CFRN-TV's popular Day-By-Day show. The television appearance provided Parker with a first-rate opportunity to spread the word about AOC and its services for small business in Alberta.



Roy Parker
and Terry Lynne Meyer

Carmen and Gail Haakstad are positive proof that it is possible to successfully transform an outside interest into a profitable venture.

Four-and-a-half years ago, through the help of AOC financing, the Grande Prairie couple opened a shop specializing in crafts and original artwork.

"Carmen's background is in the arts and it's something I, myself, have always enjoyed. We had done a fair amount of research and I guess our feeling was, this was something that was needed in the community," explains Gail.

Judging from the Unique Gallery's sales records, their hunch was right. After three years of operation

Turning art into enterprise: Carmen and Gail Haakstad

When John Ablett talks about small business, he speaks from experience.

The manager of AOC's Calgary branch has gone full circle over the years, from working as a company loans officer, to operating a retail outlet and subsequently rejoining the commercial finance sector.

"Having been in business, I have a much better appreciation of the problems and positive side of small business, and of the aspirations of entrepreneurs," he says.

Ablett's background as a business owner and lender has made him a strong advocate of education as a means of providing entrepreneurs with a solid foundation for building their enterprises.

"Before anyone makes an effort to go ahead with their venture, they should take small business training or attend some seminars. If you don't know how to prepare a business plan, you're going to have a very difficult time in today's competitive marketplace," he notes, adding this is especially true in larger centres.



AOC's John Ablett

Minding his own Business a Valuable Lesson for Branch Manager

Entrepreneurs in the Calgary area have an opportunity to brush up on their business basics at an upcoming Enterprise Seminar sponsored by AOC, Statistics Canada and Alberta Economic Development and Trade.

The three-hour evening session being held April 1 at Alberta Vocational Centre will feature presentations on business planning, market research and financing. For more information or to register, call 1-800-642-3811.

Enterprise Conference Series

Fort McMurray	March 3, 1992
Grande Prairie	April 3, 1992
Red Deer	May 1, 1992
Medicine Hat	October 9, 1992
Lethbridge	November 6, 1992
Calgary	December 4, 1992
Peace River	January 29, 1993

New Conference Series Aimed at Owner-Managers

The success of AOC's regional seminar program has sparked the creation of a new series of one-day management conferences aimed at existing business owners.

The first of seven Enterprise Conferences will take place Tuesday, March 3, 1992 at the Sawridge Hotel in Fort McMurray.

These events are designed to assist small business owners in developing strategic plans which will enable them to better cope in today's competitive marketplace.

Topics include business planning, financial indicators and market strategy development. Participants will also have the opportunity to meet and hear from innovative, local entrepreneurs.

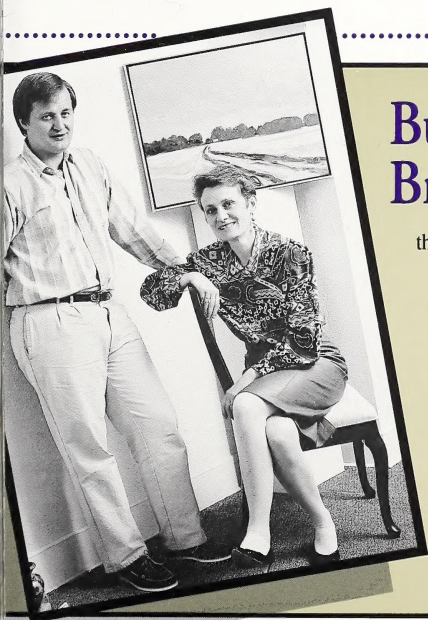
Business Picture Bright for Art Gallery

the store's gross revenues multiplied from \$120,000 to \$420,000. Since opening in 1987, its product line has expanded to include the works of more than 250 artists

The increase in merchandise also translated into a need for more space and the Unique Gallery has grown from occupying a 600-foot space to premises almost four times as large.

Despite the overwhelming success the Haakstads have experienced, they are confident there is still room for their business to progress even further.

"Initially, we were so busy it made our heads spin. Now we have a chance to do planning and organizing . . . there are many more markets that have to be tapped."



What's New?

Does your firm have an exciting new product or service? AOC Today wants to know. And so do our readers. Beginning soon, we will feature a new section called Innovations, highlighting unique Alberta companies.

To participate, send us a brief description of your business and what's new.



Call us . . .

AOC Today was created to meet your information needs. If there's a business issue you want to see addressed, facts you need to know or a story you'd like us to share, call us! We've got an edition of 'The Best of Alberta' for the best suggestion we receive.

We also want to help you in your entrepreneurial endeavours. If you're looking for business partners, seeking an investment opportunity or trying to sell your own operation, call us! We'll make an effort to pass your needs onto our readership.

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Balan Mathews, Director
Corporate Marketing.

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A Winning Proposition!



Joanne Miller and Balan Mathews

Joanne Miller recently received a copy of 'Canada, a Portrait', from AOC's Director of Marketing, Balan Mathews, for entering our contest and providing us with a top-notch story suggestion. And yes, we're following up on her proposal! Look for a story about financing intellectual property-related businesses in next month's issue of AOC Today.

ADS

Business for Sale

OWNER RETIRING — A well-established vehicle-repair business centrally located in a progressive Southern Alberta town.

Business features a fully modern 40' x 60' concrete block building, fluorescent lighting, overhead door with three-stall workshop, customer display area, parts department, office or storage room and adjacent storage shed.

Equipment includes: signs, display shelving, customer counter, cash register, electric hydraulic hoist, paint guns, tire changer, air compressor, motor stands, valve spring compressor, floor jacks and many other miscellaneous tools and items. Approximately \$16,000 in stock.

Average annual sales approximately \$226,000. Good opportunity for experienced operator.

For more information contact: Bob Whitlock,
Box 491, Vauxhall, Alberta, T0K 2K0. Phone 654-2454

The advertisements in AOC Today are for the convenience of our readers. AOC does not endorse or verify advertisers' claims.

Letters...

We are a new business to Edmonton specializing in cleaning, polishing and rustproofing of automobiles. Our facility is the largest of its kind and we have rapidly developed an exclusive clientele of fine car owners from throughout Edmonton.

Our company obtained start-up financing from AOC and we have already paid out more in wages than we borrowed. We are responsible for six employees who work for us full-time, supporting a combined total of four spouses and 12 children.

We believe the general public has a poor opinion of AOC due to defaulted loans made to seemingly unethical businesses. Rarely does the public hear of a situation such as ours, where AOC has created jobs and a business which will pay back to the province the money it borrowed and also add to its tax base.

AOC is playing an important role in helping entrepreneurs in the province achieve their business goals and contribute to the economy. Thanks for your help!

Thomas Dixon
Autohaven Inc.



Autohaven staff and families

Just a quick note to compliment you on the January 1992 issue of AOC Today, which I have found both readable and informative.

Also, on page four, I note that my past concerns regarding the lack of loans placed in Calgary and Edmonton have been silenced. Well done, and best wishes.

Milt Pahl
President and Chief Executive Officer
Native Venture Capital Co. Ltd.